

MINUTES OF THE
JOINT HEALTH AND HUMAN SERVICES APPROPRIATIONS SUBCOMMITTEE
THURSDAY, FEBRUARY 5, 2009, 2:00 P.M.
Room 30, House Building, State Capitol Complex

Members Present: Sen. Allen M. Christensen, Co Chair
Rep. John Dougall, Co Chair
Sen. Patricia W. Jones
Sen. Margaret Dayton
Sen. Daniel R. Liljenquist
Rep. Kraig Powell
Rep. Rebecca Chavez-Houck
Rep. Keith Grover
Rep. Ben C. Ferry
Rep. Paul Ray
Rep. David Litvack

Staff Present: Russell Frandsen, Fiscal Analyst
Stephen Jardine, Fiscal Analyst
Nicholle Heidrich, Secretary

Public Speakers Present: Michael Hales, Director, Health Care Financing (Medicaid Program)
Dave Gessel, Vice President, Government Relations and Legal Affairs,
Utah Hospital Association
Paul Muench, President, Molina Healthcare of Utah
Deb Buncombe, Deputy Director, Utah Health Care Association
Michelle McOmber, Utah Medical Association
Chris Cowely, Utah Medical Association

Leslie Yorth, Owner, Little Angels Child Care
Diane Wilkinson, Owner, Patchwork Playhouse
Tracy Halverson, Professional Family Child Care Association
Wayne Kidd, Legislative Auditor's Office
Rick Coleman, Legislative Auditor's Office
Mary Lou Emerson, Council Director, Utah Substance Abuse and Anti
Violence Coordinating Council
Dr. Christine Mitchell, Research Director, Commission on Criminal
and Juvenile Justice

A list of visitors and a copy of handouts are filed with the committee minutes.

The meeting was called to order by Co-Chair Sen. Christensen at 2:42 p.m.

1. Welcome and Overview by Sen. Christensen
2. Introduction to Medicaid and Its Processes

Russell Frandsen broke the Federal Poverty Guidelines into three categories: annual, monthly, and hourly wage. Sen. Liljenquist asked if this applies to the O#79 option and how would this affect

the nursing home population. Mr. Frandsen said that they would have to qualify under the guidelines. Mr. Hales said that 20 percent of nursing home clients would be eliminated. Sen. Christensen asked Mr. Frandsen to explain the spend down category. Sen. Liljenquist asked if they paid monthly. Sen. Christensen asked when the special legislation is to take place. Mr. Frandsen replied that it is in the works. Rep. Litvack asked if the committee members can e-mail with poverty guidelines, and asked Mr. Hales if this determined on a month to month basis and aren't there fluctuations of the month to month factor. Mr. Hales said that yes there are fluctuations and there are also unexpected hospitalizations. Rep. Litvack asked if they could look at the fluctuations more closely on the month to month basis. Rep. Dougall asked to communicate with Workforce Services and see where there are efficiencies. Dr. Sundwall shared a personal experience with the Medicaid fluctuations.

Department Overview--Michael Hales, Director of Health Care Financing (Medicaid Program) with the Department of Health. Mr. Hales said that it is not that simple to become eligible for Medicaid. He said there are mandatory eligibility levels for various groups. The Children's Health Insurance Program (CHIP) covers up to 200 percent of the poverty level. The Medicaid Waiver for the Primary Care Network (PCN) covers preventative care, and they are limited to four prescriptions a month. Mr. Hales said it is a limited benefit plan and covers up to 150 percent of the poverty level. Sen. Liljenquist asked if there is a federal match and is this program keeping people out of the hospitals for their care. Mr. Hales replied that it has helped with the prevention but has not totally eliminated it. Sen. Liljenquist asked how much we spend on Medicaid and how much is the savings. Mr. Hales said there is not an exact number. Dr. Sundwall said that there are people on the PCN program who do have chronic illnesses and that we save because of the preventive care provided for them. Sen. Liljenquist asked with the chronic illness patient is there a crossover. Mr. Hales said a lot of them go without insurance. Dr. Sundwall said that 19,000 of people on PCN, cannot spend down on PCN and CHIP. Mr. Hales explained the Utah's Premium Partnership for Health Insurance program and what they do is help pay part of the employer premium. The Medically Needy that are on the spend down are part of 100 percent of the poverty level. Sen. Jones asked what we can do to make this less confusing for people. Mr. Hales said there isn't a lot of support unless they go through a community process or a non-profit organization. Sen. Jones asked if they are seeing more trends with the economy. Mr. Hales said there is an eleven to twelve percent growth rate and high percentage of children enrolling. He said that the legislation broke the line-items into Mandatory and Optional, and that CHIP is 80 percent federally matched. Rep. Dougall asked if Mr. Hales would give them an update on the federal funding for CHIP. Mr. Hales said that CHIP has an allotment of 4.5 years with the cap program. He said that in general, Medicaid must have the providers and it is a requirement to have access to care.

Provider Input--Michelle McOmber and Chris Cowley with the Utah Medical Association. Mr. Cowley spoke on the access problem, and what the physicians are reimbursed does not cover the overhead Medicaid patients generate. He said that a lot of the patients end up in the Emergency Room because they cannot find providers that will cover them. Mr. Cowley stated that the primary care doctors are hit hard. He said that Medicaid is medically rich because of the benefits package it provides but only if they can find people to provide these services. Mr. Cowley discussed some guidelines for patient treatment. Dr. Cowley asked why there are differences in the two federally funded programs of Medicaid and Medicare. Sen. Christensen said that it is because Medicaid is handled at the State level and Medicare at the federal level. Ms. McOmber discussed the four day work week, with the doctors being out of the office, the pharmacies cannot fill the prescriptions. She spoke of the many difficulties with Medicaid technologies and how long it takes a doctor to

be paid for the patients' visit. Rep. Litvack asked if they are moving in the direction to ease some of the administration burdens to offset some of the costs, and noted there are transportation issues for many of these patients to get to their appointments. Ms. McOmber said that a lot of these patients do not have an understanding of which doctor they need to see. Sen. Christensen suggested having a case manager to advise each patient. Sen. Liljenquist asked if they would explain the medical home. Ms. McOmber said there is patient care that can be coordinated with less trouble all around. Sen. Liljenquist asked if they need to employ doctors specifically for Medicaid. Mr. Cowley said that they would have to look into those changes. Rep. Dougall asked if they can provide incentives for those patients that comply.

Dave Gessel, Vice President of Government Relations and Legal Affairs with the Utah Hospital Association-- Mr. Gessel spoke about how Medicaid affects hospitals. He said that hospitals do care about Medicaid because the majority of their revenue comes from it. There is a 5-10 percent cost shift to other providers. Mr. Gessel addressed the pharmaceutical problem that is taken into the scientific arena for what drugs work. Rep. Ray asked how the formulary works differently from the PDL. Mr. Gessel said that the insurance company would use a more scientific method. Rep. Ferry asked if there is a formulary list of drugs or is it a step method. He talked about incentives for Medicaid patients if they follow the guidelines. Mr. Gessel said that one-third of the money is spent in end of life care. Sen. Liljenquist said that end of life care is an issue and the conversation has to be on what we do to extend life. He asked how they can educate people so they make wise choices. Mr. Gessel said that it would be better to educate and use hospice in those situations, and encouraged a Medicaid task force. Sen. Jones commented on Hospice and that there needs to be a change in the way we perceive hospice, and she asked what kind of information the hospitals are giving on hospice. Mr. Gessel replied that there is regular communication about hospice.

Paul Muench, President of Molina Healthcare of Utah--Mr. Muench spoke of the medical home as a big part of what they do and provide. He said that they make access for healthcare more accessible. He provided a handout which he reviewed. Mr. Muench suggested that Medicaid and CHIP be put into a risk contract arrangement.

Deb Burcombe, Deputy Director of Utah Health Care Association. Ms. Burcombe passed out a handout on Quality Care vs. Quality of Life. Sen. Christensen asked if this is different than HESP. Deb said yes, the long-term care profession had a provider assessment and the ability to assess themselves. Rep. Ferry asked if when you self assess does it pass it back onto the patient. Ms. Burcombe said that it is put in the funding to recoup the difference.

5. Testimony-child care facilities

Leslie Hjorth, Diane Wilkinson, Tracy Halverson and George Graff all spoke on the importance of child care facilities.

6. DORA audit report

Wayne Kidd and Rick Coleman with the Office of the Legislative Auditor General presented this report and responded to several questions by legislators. Mary Lou Emerson and Dr. Christine Mitchell made brief comments regarding the audit report as well as the DORA pilot project and

responded to several questions by committee members.

MOTION: Rep. Grover moved to adjourn the meeting

The motion passed unanimously.

Sen. Christensen adjourned the meeting at 6:05 p.m.

Minutes recorded by Nicholle Heidrich, Secretary

Sen. Allen Christensen, Committee Co-Chair

Rep. John Dougall, Committee Co-Chair